

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA**

In Re: Generations on 1 st , LLC, Debtor, Jointly Administered.	Bankruptcy No.: 25-30002 Chapter 11
Parkside Place, LLC, Debtor, Jointly Administered.	Bankruptcy No.: 25-30003 Chapter 11

**AFFIDAVIT OF CHARLES AARESTAD
RE: THE PARKSIDE NOTE**

STATE OF MINNESOTA)
) SS
COUNTY OF NORMAN)

I, Charles Aarestad, hereby state and declare as follows:

1. I am a Sr. Vice President at Red River State Bank ("RRSB"). I have held my current position since 2011.
2. I hold a bachelor's degree in Agricultural Economics from North Dakota State University. I have also attended the Graduate School of Banking at the University of Wisconsin-Madison.
3. I am personally familiar with the loan history between RRSB and Parkside Place, LLC (the "Debtor" or "Parkside") and I have personal knowledge of all events and transactions described in this affidavit.

4. Additionally, I have personally reviewed bank statements, transaction receipts, deposits, and checks associated with several accounts, including without limitation:

- a. a checking account ending in -6436 at RRSB owned by the Debtor (the “RRSB Parkside Account”);
- b. a checking account ending in -4665 at RRSB, also known as the Assignment of Rents Holding Account (the “AOR Account”);
- c. a checking account ending in -1711 at First Community Credit Union (“FCCU”) owned by Craig Development, LLC (the “FCCU Craig Development Account”)
- d. a checking account ending in -4695 at FCCU owned by Craig Properties LLC (the “FCCU Craig Properties Account”); and
- e. a checking account ending in -2258 at Starion Bank owned by non-debtor affiliate CP Business Management Inc. – Apartments (the “CP Business Account”); and
- f. the debtor-in-possession checking account ending in -8688 at Starion Bank (the “Parkside DIP Account”).

With the exception of accounts for which RRSB is the depository institution, all of the aforementioned documents were obtained through subpoenas issued in the Debtor’s bankruptcy case.

The Parkside Note

5. Debtor executed and delivered to RRSB a Promissory Note dated December 13, 2021 (the “Parkside Note”)¹, pursuant to which Loan No. 51438 was disbursed in the original principal sum of \$4,200,000.00. Interest accrues at a rate of 4.150% per annum and its stated maturity date is December 1, 2026. A schedule of the Debtor’s repayment obligations under the Parkside Note follows:

- a. Three (3) monthly consecutive interest payments from January 1, 2022, through March 1, 2022;
- b. Fifty-six (56) monthly consecutive principal and interest payments of \$22,525.00 each from April 1, 2022, through November 1, 2026; and
- c. One (1) final principal and interest payment on December 1, 2026, comprised of all principal and accrued interest not yet paid, a sum estimated to be \$3,720,631.03 if all payments were made exactly as scheduled.

A true and correct copy of a debit ticket dated December 13, 2021 confirming the disbursement of Loan 51438 is attached as **Exhibit A** and incorporated by reference.

6. On December 13, 2021, RRSB disbursed proceeds of the Parkside Note totaling \$4,200,000. Debtor used such proceeds to refinance three existing construction loans related to construction of Parkside Place in Watertown, South Dakota (“Parkside Place”). A true and correct copy of a Loan Disbursement Request and Authorization for the Parkside Note is attached as **Exhibit B** and incorporated by reference.

7. First, Parkside Note proceeds were applied to pay down outstanding principal and interest on Loan 51393 in the amounts of \$940,371.80 and \$11,767.53, respectively. True

¹ A true and correct copy of the Parkside Note is attached to Proof of Claim No. 1 in the Debtor’s bankruptcy case (the “RRSB Parkside POC”) and incorporated by reference.

and correct copies of credit slips confirming the application of funds to pay down Loan 51393 are attached as **Exhibit C** and incorporated by reference.

8. Second, Parkside Note proceeds were applied to pay down outstanding principal and interest on Loan 41120 in the amounts of \$2,601,400 and \$84,638.16, respectively. True and correct copies of credit slips confirming the application of funds to pay down Loan 41120 are attached as **Exhibit D** and incorporated by reference.

9. Third, Parkside Note proceeds were applied to pay down outstanding principal only on Loan 41206 in the amount of \$561,822.51. A true and correct copy of a credit slip confirming the application of funds to pay down Loan 41206 is attached as **Exhibit E** and incorporated by reference.

10. To recap, when the December 2021 refinance was complete, Parkside Note proceeds totaling \$4,200,000.00 had been disbursed and applied to refinance the three existing construction loans as follows:

Loan #	Total Paid to Loan Account	Principal	Interest	Exhibit No.
41120	\$2,686,038.16	\$2,601,400.00	\$84,638.16	D
51393	\$952,139.33	\$940,371.80	\$11,767.53	C
41206	\$561,822.51	\$561,822.51	\$0.00	E
TOTAL:	\$4,200,000.00	\$4,103,594.31	\$96,405.69	

[The remainder of this page is intentionally blank.]

11. RRSB filed Proof of Claim No. 1 in the Debtor's main bankruptcy case. The following table was attached to such claim, confirming that as of the Petition Date, the outstanding amount and of the Parkside Note was \$4,062,188.71:

Indebtedness:

The following sums are due and owing to RRSB with respect to the Parkside Note and Mulinda Notes as of January 6, 2025:

NOTE	BALANCE	PER DIEM INTEREST ACCRUAL
Parkside Note	\$4,062,188.71	\$459.12
First Mulinda Note	\$1,119,755.71	\$159.14
Second Mulinda Note	\$1,610,444.59	\$235.26
Third Mulinda Note	\$2,001,781.08	\$294.28
Total due under Parkside Note and Mulinda Notes together with interest accruing from and after January 6, 2025, excluding* costs and attorneys' fees incurred:	<u>\$8,794,170.09</u>	

See RRSB Parkside POC, p. 6.

12. An Inquiry Statement for the Parkside Note generated by RRSB's computer system is attached as **Exhibit F** and incorporated by reference. The Inquiry Statement does not include a running balance but only identifies advances on the loan, late fees accrued, and application of payments.

13. For the convenience of the parties and the Court, a printout of an Excel spreadsheet depicting the accrual of interest and late fees pursuant to the Parkside Note and the application of all payments received by RRSB for the Parkside Note is attached as **Exhibit G** and incorporated by reference.

Parkside Note: Pre-Petition Payment History

14. Prior to commencement of the Debtor's bankruptcy case on January 6, 2025 (the "Petition Date"), RRSB received a total of twenty-eight (28) payments from Debtor, and such payments were applied to reduce the outstanding balance of the Parkside Note as follows:

Payment No.	Payment Description	Exhibit Description	Exhibit No.
1	Payment of \$10,505.75 was received on January 10, 2022, and applied to accrued interest.	RRSB Parkside Account Statement for the period ending January 31, 2022 (<i>See p. 1</i>).	H-1, F & G
2	Payment of \$13,370.96 was received on February 10, 2022, and applied to interest.	RRSB General Ledger slip dated February 10, 2022, memorializing an ACH transfer to RRSB in the sum of \$13,370.96; and RRSB Loan Credit Slip dated February 10, 2022, in the sum of \$13,370.96.	H-2, F & G
3	Payment of \$13,370.96 was received on February 17, 2022, and applied to accrued interest.	CP Business Account Check No. 3217 in the amount of \$13,370.96; and RRSB Loan Credit Slip dated February 17, 2022, in the sum of \$13,370.96.	H-3, F & G
4	Payment of \$22,525.00 was received on March 21, 2022. \$9,550.68 was applied to accrued interest and \$12,974.32 was applied to principal.	CP Business Account Check No. 3266 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated March 21, 2022, in the sum of \$22,525.00.	H-4, F & G
5	Payment of \$22,525.00 was received on May 2, 2022. \$19,994.49 was applied to accrued interest and \$2,530.51 was applied to principal.	CP Business Account Check No. 3296 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated May 2, 2022, in the sum of \$22,525.00.	H-5, F & G
6	Payment of \$22,525.00 was received on May 23, 2022. \$10,466.97 was applied to accrued interest and	CP Business Account Check No. 3400 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated May 24, 2022, in the sum of \$22,525.00.	H-6, F & G

	\$12,058.03 was applied to principal on May 24, 2022.		
7	Payment of \$22,525.00 was received on June 6, 2022. \$6,167.20 was applied to accrued interest and \$16,357.80 was applied to principal.	CP Business Account Check No. 3415 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated June 6, 2022, in the sum of \$22,525.00.	H-7, F & G
8	Payment of \$22,525.00 was received on July 18, 2022. \$19,846.70 was applied to accrued interest and \$2,678.30 was applied to principal.	CP Business Account Check No. 3471 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated July 18, 2022, in the sum of \$22,525.00.	H-8, F & G
9	Payment of \$22,525.00 was received on August 8, 2022. \$9,916.96 was applied to accrued interest and \$12,608.04 was applied to principal.	CP Business Account Check No. 3553 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated August 8, 2022, in the sum of \$22,525.00.	H-9, F & G
10	Payment of \$22,525.00 was received on September 6, 2022. \$13,653.27 was applied to accrued interest and \$8,871.73 was applied to principal.	CP Business Account Check No. 3603 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated September 6, 2022, in the sum of \$22,525.00.	H-10, F & G
11	Payment of \$22,525.00 was received on October 5, 2022. \$13,624.02 was applied to accrued interest and \$8,900.98 was applied to principal.	CP Business Account Check No. 3707 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated October 5, 2022, in the sum of \$22,525.00.	H-11, F & G
12	Payment of \$22,525.00 was received on November 7, 2022. \$15,469.80 was applied to accrued interest and \$7,055.20 was applied to principal.	CP Business Account Check No. 3758 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated November 7, 2022, in the sum of \$22,525.00.	H-12, F & G

13	Payment of \$22,525.00 was received on December 6, 2022. \$13,571.41 was applied to accrued interest and \$8,953.59 was applied to principal.	CP Business Account Check No. 3853 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated December 6, 2022, in the sum of \$22,525.00.	H-13, F & G
14	Payment of \$22,525.00 was received on January 5, 2023. \$14,008.85 was applied to accrued interest and \$8,516.15 was applied to principal.	CP Business Account Check No. 3914 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated January 5, 2023, in the sum of \$22,525.00.	H-14, F & G
15	Payment of \$22,525.00 was received on February 6, 2023. \$14,911.78 was applied to accrued interest and \$7,613.22 was applied to principal.	CP Business Account Check No. 3978 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated February 6, 2023, in the sum of \$22,525.00.	H-15, F & G
16	Payment of \$22,525.00 was received on April 7, 2023. \$22,525.00 was applied to accrued interest and \$0.00 was applied to principal.	CP Business Account Check No. 4072 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated April 7, 2023, in the sum of \$22,525.00.	H-16, F & G
17	Payment of \$22,525.00 was received on May 5, 2023. \$18,406.24 was applied to accrued interest and \$4,118.76 was applied to principal.	CP Business Account Check No. 4123 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated May 5, 2023, in the sum of \$22,525.00.	H-17, F & G
18	Payment of \$22,525.00 was received on June 2, 2023. \$13,010.46 was applied to accrued interest and \$9,514.54 was applied to principal.	CP Business Account Check No. 4183* in the amount of \$78,355.18 and RRSB Loan Credit Slip dated June 2, 2023, in the sum of \$22,525.00. * Check 4183 was divided between the Parkside and Eighth GO1st Notes.	H-18, F & G

		See Eighth GO1st Note Aff., ¶ 14, Row 2 and Exh E-2 .	
19	Payment of \$22,525.00 was received on July 10, 2023. \$13,907.96 was applied to accrued interest and \$8,617.04 was applied to principal.	CP Business Account Check No. 4275* in the amount of \$78,355.18; RRSB Loan Credit Slips dated July 10, 2023, in the sums of \$13,907.96, and \$8,617.04. * Check 4275 was divided between the Parkside and Eighth GO1st Notes. See Eighth GO1st Note Aff., ¶ 14, Row 3 and Exh. E-3 .	H-19, F & G
20	Payment of \$22,525.00 was received on August 16, 2023. \$20,824.11 was applied to accrued interest and \$1,700.89 was applied to principal.	CP Business Account Check No. 4308* in the amount of \$78,355.18 and RRSB Loan Credit Slip dated August 16, 2023, in the sum of \$22,525.00. * Check 4308 was divided between the Parkside and Eighth GO1st Notes. See Eighth GO1st Note Aff., ¶ 14, Row 4 and Exh. E-4 .	H-20, F & G
21	Payment of \$22,525.00 was received on September 7, 2023. \$10,172.90 was applied to accrued interest and \$12,352.10 was applied to principal.	CP Business Account Check No. 4368* in the amount of \$78,355.18 and RRSB Loan Credit Slip dated September 7, 2023, in the sum of \$22,525.00. * Check 4368 was divided between the Parkside and Eighth GO1st Notes. See Eighth GO1st Note Aff., ¶ 14, Row 5 and Exh. E-5 .	H-21, F & G
22	Payment of \$22,525.00 was received on October 10, 2023. \$15,213.00 was applied to accrued interest and \$7,312.00 was applied to principal.	CP Business Account Check No. 4462* in the amount of \$78,355.18 and RRSB Loan Credit Slip dated October 10, 2023, in the sum of \$22,525.00. * Check 4462 was divided between the Parkside and Eighth GO1st Note.	H-22, F & G

		See Eighth GO1st Note Aff., ¶ 14, Row 6 and Exh. E-6 .	
23	Payment of \$22,525.00 was received on November 7, 2023. \$13,344.90 was applied to accrued interest and \$9,180.10 was applied to principal on November 8, 2023.	CP Business Account Check No. 4506* in the amount of \$78,355.18 and RRSB Loan Credit Slip dated November 7, 2023, in the sum of \$22,525.00. * Check 4506 was divided between the Parkside and Eighth GO1st Note. See Eighth GO1st Note Aff., ¶ 14 Row 7 and Exh. E-7 .	H-23, F & G
24	Payment of \$22,525.00 was received on December 21, 2023. \$19,742.37 was applied to accrued interest and \$2,782.63 was applied to principal.	Craig Development, LLC Check No. 12690 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated December 22, 2023, in the sum of \$22,525.00.	H-24, F & G
25	Payment of \$22,525.00 was received on January 15, 2024. \$11,470.21 was applied to accrued interest and \$11,054.79 was applied to principal.	Craig Development, LLC Check No. 12762 in the amount of \$22,525.00 and RRSB Loan Credit Slip dated January 15, 2024, in the sum of \$22,525.00.	H-25, F & G
26	Pursuant to right of offset, \$1,488.58 remaining in the RRSB Parkside Account was applied to principal on February 8, 2024.	RRSB Checking Withdrawal Slip dated February 7, 2024; and RRSB Loan Credit Slip dated February 7, 2024, in the sum of \$1,488.58.	H-26, F & G
27	Payment of \$123,861.56 was received on December 30, 2024, and the same was applied to accrued interest.	Wire transfer receipt from HME Companies and RRSB Checking Withdrawal Slip dated December 30, 2024, in the amount of \$123,861.56. Five (5) RRSB Loan Credit Slips, all dated December 30, 2024, and each in the sum of \$22,525.00 intended to reflect the monthly payments for Feb-June 2024 and one (1) RRSB Loan	H-27, F & G

		Credit Slip dated December 30, 2024, in the sum of \$11,236.56 intended to reflect a partial payment for July 2024.	
28	Payment of \$15,767.50 was received on January 2, 2025, and the same was applied to accrued interest.	ACH transfer from HME Companies to RRSB and RRSB Checking Withdrawal Slip dated January 2, 2025, in the amount of \$15,767.50; and RRSB Credit Ticket dated January 2, 2025, in the sum of \$15,767.50.	H-28, F & G

Post--Petition Payment History of the Parkside Note

15. After the Petition Date, pursuant to the Stipulation(s) For Use of Cash Collateral By and Between Generations on 1st LLC, Parkside Place, LLC and Red River State Bank (*See* ECF 44, ECF 54, ECF 69, ECF 91, ECF 140), Debtor has made seven (7) adequate protection payments for the Parkside Note and RRSB has applied such payments to reduce the outstanding balance of the Parkside Note as follows:

Payment No.	Payment Description	Exhibit Description	Exhibit No.
29	Payment of \$49,341.92 was received on February 4, 2025. \$36,924.60 was applied to accrued interest and \$12,417.32 was applied to principal.	RRSB General Ledger Slip dated February 4, 2025, in the sum of \$49,341.92, memorializing a payment from account -7020 and RRSB Loan Credit Slip dated February 4, 2025, in the sum of \$49,341.92. <i>See also</i> ECF 54; ¶ 5(i)	H-29, F & G
30	Payment of \$14,500.00 was received on February 14, 2025. \$4,559.71 was applied to accrued interest and \$49,940.29 was applied to principal.	Parkside DIP Account Check No. 20012 in the amount of \$14,500.00; and RRSB Loan Credit Slip dated February 14, 2025, in the sum of \$14,500.00.	H-30, F & G
31	Payment of \$14,500.00 was received on March 7, 2025.	Parkside DIP Account Check No. 20027 in the amount of \$14,500.00;	H-31, F & G

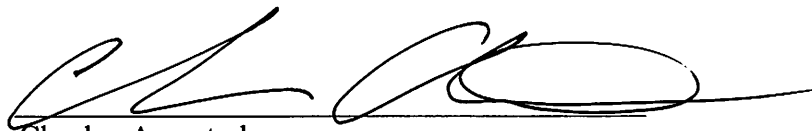
	\$9,551.65 was applied to accrued interest and \$4,948.35 was applied to principal.	and RRSB Loan Credit Slip dated March 7, 2025, in the sum of \$14,500.00.	
32	Payment of \$14,500.00 was received on April 14, 2025, and was applied to accrued interest.	Parkside DIP Account Check No. 20048 in the amount of \$14,500.00; and RRSB Loan Credit Slip dated April 14, 2025, in the sum of \$14,500.00.	H-32, F & G
33	Payment of \$14,500.00 was received on May 19, 2025, and was applied to accrued interest.	Parkside DIP Account Check No. 20067 in the amount of \$14,500.00; and RRSB Loan Credit Slip dated May 19, 2025, in the sum of \$14,500.00.	H-33, F & G
34	Payment of \$14,500.00 was received on June 13, 2025, and was applied to accrued interest.	Parkside DIP Account Check No. 20087 in the amount of \$14,500.00; and RRSB Loan Credit Slip dated June 13, 2025, in the sum of \$14,500.00.	H-34, F & G
35	Payment of \$14,500.00 was received on July 14, 2025, and was applied to accrued interest.	Parkside DIP Account Check No. 20103 in the amount of \$14,500.00; and RRSB Loan Credit Slip dated July 14, 2025, in the sum of \$14,500.00.	H-35, F & G

16. No further payments have been made by the Debtor towards the outstanding balance of the Parkside Note except if additional cash collateral payments are not accounted for yet.

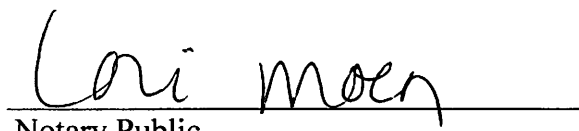
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I declare under penalty of perjury that the foregoing is true and correct.

Dated: September 16, 2025.


Charles Aarestad

Subscribed and sworn to before me this 16 day of September, 2025.


Notary Public

